

1-1 By: West S.B. No. 680
 1-2 (In the Senate - Filed February 20, 2013; February 25, 2013,
 1-3 read first time and referred to Committee on Higher Education;
 1-4 March 25, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 6, Nays 0; March 25, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 680 By: Zaffirini

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to a pilot program to improve student loan default rates
 1-20 and financial aid literacy among postsecondary students.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter C, Chapter 61, Education Code, is
 1-23 amended by adding Section 61.0763 to read as follows:

1-24 Sec. 61.0763. STUDENT LOAN DEFAULT PREVENTION AND FINANCIAL
 1-25 AID LITERACY PILOT PROGRAM. (a) In this section, "career school
 1-26 or college" has the meaning assigned by Section 132.001.

1-27 (b) Not later than January 1, 2014, the board shall
 1-28 establish and administer a pilot program at selected postsecondary
 1-29 educational institutions to ensure that students of those
 1-30 institutions are informed consumers with regard to all aspects of
 1-31 student financial aid, including:

1-32 (1) the consequences of borrowing to finance a
 1-33 student's postsecondary education;

1-34 (2) the financial consequences of a student's academic
 1-35 and career choices; and

1-36 (3) strategies for avoiding student loan delinquency
 1-37 and default.

1-38 (c) The board shall select at least one institution from
 1-39 each of the following categories of postsecondary educational
 1-40 institutions to participate in the program:

1-41 (1) general academic teaching institutions;

1-42 (2) public junior colleges;

1-43 (3) private or independent institutions of higher
 1-44 education; and

1-45 (4) career schools or colleges.

1-46 (d) In selecting postsecondary educational institutions to
 1-47 participate in the pilot program, the board shall give priority to
 1-48 institutions that have a three-year cohort student loan default
 1-49 rate, as reported by the United States Department of Education:

1-50 (1) of more than 20 percent; or

1-51 (2) that has above average growth as compared to the
 1-52 rates of other postsecondary educational institutions in this
 1-53 state.

1-54 (e) The board, in consultation with postsecondary
 1-55 educational institutions, shall adopt rules for the administration
 1-56 of the pilot program, including rules governing the selection of
 1-57 postsecondary educational institutions to participate in the pilot
 1-58 program consistent with the requirements of Subsection (d).

1-59 (f) The board may contract with one or more entities to
 1-60 administer the pilot program according to criteria established by

2-1 board rule.

2-2 (g) Not later than January 1 of each year, beginning in

2-3 2016:

2-4 (1) the board shall submit a report to the governor,
2-5 the lieutenant governor, and the speaker of the house of
2-6 representatives regarding the outcomes of the pilot program, as
2-7 reflected in the federal student loan default rates reported for
2-8 the participating institutions; and

2-9 (2) each participating institution shall submit a
2-10 report to the governor, the lieutenant governor, and the speaker of
2-11 the house of representatives regarding the outcomes of the pilot
2-12 program at the institution, as reflected in the federal student
2-13 loan default rate reported for the institution.

2-14 (h) This section expires December 31, 2020.

2-15 SECTION 2. The Texas Higher Education Coordinating Board
2-16 shall adopt rules for the administration of Section 61.0763,
2-17 Education Code, as added by this Act, as soon as practicable after
2-18 this Act takes effect. For that purpose, the coordinating board may
2-19 adopt the initial rules in the manner provided by law for emergency
2-20 rules.

2-21 SECTION 3. This Act takes effect immediately if it receives
2-22 a vote of two-thirds of all the members elected to each house, as
2-23 provided by Section 39, Article III, Texas Constitution. If this
2-24 Act does not receive the vote necessary for immediate effect, this
2-25 Act takes effect September 1, 2013.

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